



State of Montana
IT Project Management Office
Project Status Reporting Standards

Overview

In order for the State ITPMO to present a clear picture of the health of projects it is reporting to the LFC (Legislative Finance Committee), we must measure project performance in a standardized fashion. The following depicts the Project Reporting Standards that the State ITPMO has adopted to insure project are being reported in a standardized fashion. As with all Project Performance Measuring Metrics the State's IT measurement begins with identifying Work Package Sizing to be used, the Work Performance Crediting Standard that is to be used, and finally the Earned Value (EV) metrics that are used.

Work Package Sizing

WBS Work packages should utilize the 8/80 rule.

Specifically anything under an 8 hour day of work can be managed by the resource and anything over a two week period (80 hours) should be broken down further.

Work Performance Crediting Standard

For easy of performing Earned Value calculations the ITPMO will utilize the 50/100 rule.

50% credit will be given when work on a work package has begun. 100% when work package is completed.

Project Status Reporting

Project Status Reporting will be based on Schedule Variance (SV), Cost Variance (CV), Schedule Performance Index (SPI), and Cost Performance Index (CPI).

Calculations

Schedule Variance (SV) = Earned Value (EV) - Planned Value (PV)

Cost Variance (CV) = Earned Value (EV) - Actual Cost

Schedule Performance Index (SPI) = Earned Value (EV) / Planned Value (PV)

Cost Performance Index (CPI) = Earned Value (EV) / Actual Cost (AC)

Schedule Variance (SV): SV=0 (zero) = Project on schedule SV>0 (zero) = Project ahead of schedule SV<0 (zero) = Project behind Schedule	Schedule Performance Index (SPI) SPI=1 Project on Schedule SPI>1 Project ahead of schedule SPI<1 Project behind schedule
Cost Variance (CV) CV=0 (zero) = Project on Budget CV>0 (zero) = Project Under Budget CV<0 (zero) = Project Over Budget	Cost Performance Index (CPI) CPI=1 Project on Budget CPI>1 Project Under Budget CPI<1 Project Over Budget



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Stoplight Thresholds

Green =	SPI & CPI > .8	Overall Variance 20%
Yellow =	SPI or CPI ≤ .8	
Red =	SPI or CPI ≤ .6	

Project managers are encouraged to perform Earned Value calculations if there is a problem with the project's cost or schedule this will give you (the project manager) a greater understanding of the problem and assist you in determining a path for correction.